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REPORT OF INDEPENDENT AUDITORS

The Board of Supervisors
County of York, Virginia

We have audited the accompanying general purpose financial statements of the ***County of York, Virginia*** (the "County") and the combining, individual fund, account group and component unit financial statements of the County, as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the County's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit. We did not audit the financial statements of the Component Unit – Industrial Development Authority, which represents .86% and .14%, respectively, of the total assets and total revenues of the reporting entity. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Component Unit-Industrial Development Authority, is based solely on the report of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and *Specifications for Audits of Counties, Cities and Towns*, issued by the Auditor of Public Accounts of the Commonwealth of Virginia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, based our audit and the report of other auditors, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the County as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the combining, individual fund, individual account group and component unit financial statements referred to above present fairly, in all material respects, the financial position of the individual funds, individual account groups and component units of the County as of June 30, 2001, and the results of operations of such funds and the cash flows of its individual proprietary fund types for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 4, 2001, on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was performed for the purpose of forming an opinion on the general purpose financial statements of the County taken as a whole and on the combining, individual fund, individual account group and component unit financial statements. The accompanying financial information listed as supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the general purpose financial statements of the County. Additionally, the accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose, combining, individual fund, individual account group and component unit financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the general purpose financial statements and each of the combining, individual fund and individual account group financial statements taken as a whole.

The statistical schedules listed in the table of contents are presented for the purposes of additional analysis and are not a required part of the general purpose financial statements, and we did not audit or apply limited procedures to such information. Accordingly, we do not express any assurance on such information.

Goodman & Company

Newport News, Virginia
October 4, 2001

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